

D.T.E. 98-13A

Investigation pursuant to the Electric Restructuring Act, St. 1997, c. 164, §§ 239, 240 (G.L.

c. 164, §§ 94G, 94G½) by the Department of Telecommunications and Energy, to consider whether granting exemptions from some or all of the requirements of G.L. c. 164, §§ 94G and 94G½ (including fuel charges, performance reviews, and goal-settings) for Boston Edison Company is in the public interest.

APPEARANCES: John M. Fulton, Assistant General Counsel

Boston Edison Company

800 Boylston Street

Boston, Massachusetts 02199

FOR: BOSTON EDISON COMPANY

Respondent

Thomas F. Reilly, Attorney General

By: John M. Grugan, Assistant Attorney General

Joseph W. Rogers, Assistant Attorney General

Regulated Industries Division

Public Protection Bureau

200 Portland Street

Boston, Massachusetts 02114

Intervenor

ORDER

I. INTRODUCTION

On August 31, 1999, the Department of Telecommunications and Energy ("Department") issued an Order, D.T.E. 98-13A ("Order"), in the captioned matter directing, in pertinent part, Boston Edison Company ("Company") to return its March 1998 fuel charge over-recovery total to its ratepayers. On September 22, 1999, the Company proposed two plans to return the fuel charge over-recovery ("Compliance Filing"). One plan returns the fuel charge over-recovery to the Company's ratepayers over the three-month period beginning October 1, 1999 and is pursuant to the Order (Compliance Filing at 1). A second plan returns the fuel charge over-recovery to the Company's ratepayers over a six-month period beginning October 1, 1999 (id.).

II. POSITION OF THE COMPANY

The Company requests that the Department allow the return of the fuel charge over-recovery over a six-month period beginning October 1, 1999 rather than the three-month period stated in the Order (id.). The Company states that the longer refund period is appropriate given the amount of the fuel charge over-recovery and the consequent "spike" in ratepayers' bills that would occur in January 2000 if the three-month period were followed (id.). According to the Company, refunding the fuel charge over-recovery over the three-month period beginning in October 1999 would create a relatively high "fuel charge credit" decimal because the refund would occur during the Company's typical low sales period (id.). Furthermore, the Company argues, under the three-month period, the refund would be discontinued at the commencement of peak heating bills for many ratepayers, thus exacerbating the "spike" in ratepayers' bills (id.). Finally, the Company avers that extending the refund period over a six-month period will stabilize the effect on ratepayers' bills and will more equitably distribute the refund among ratepayers, in particular those ratepayers with seasonal heating usage (id.).

IV. ANALYSIS AND FINDINGS

Due to the size of fuel charge over-recovery, the rebate's expiration at the end of

December 1999 under a three-month return period, and the increased winter usage of electricity in January 2000, there is a potential for a "spike" in ratepayers' bills in

January 2000 if the fuel charge over-recovery is refunded over a three-month period commencing October 1, 1999 (id.). Therefore, the Department finds that extending the return of the fuel charge over-recovery to a six-month period, commencing with the billing month of October 1999 and ending the billing month of March 2000, will mitigate

the potential for a "spike" in ratepayers' bills. The Department directs the Company to file by March 15, 2000, a reconciliation for the purpose of implementing any adjustment to the credit amount that may be necessary due to a discrepancy between the forecasted kilowatthour ("KWH") and the actual KWH consumed while the credit is in effect.

III. ORDER

After due consideration, it is

ORDERED: That Boston Edison Company return its fuel charge over-recovery in the form of a per KWH credit on bills issued pursuant to meter readings for the billing months of October 1999 through March 2000; and it is

FURTHER ORDERED: That Boston Edison Company file by March 15, 2000, a reconciliation for the purpose of implementing any adjustment to the credit amount that may be necessary due to a discrepancy between the forecasted KWH and the actual KWH consumed while the credit is in effect; and it

FURTHER ORDERED: That Boston Edison Company comply with all other directives contained in the Order.

By Order of the Department,

Janet Gail Besser, Chair

James Connelly, Commissioner

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner